

A free, virtuous and enlightened people must know well the great principles and causes on which their happiness depends. — James Monroe

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Plans Progress for World Trade Parley

Visits of MacDonald and Herriot to Washington Sound Keynote for London Meeting

CONVERSATIONS RENEW HOPES

Way Paved for Action on Currencies, Tariffs, Debts and Arms Reduction

On June 12 King George of England will formally open the World Monetary and Economic Conference and the representatives of more than sixty nations will begin to grapple with problems of the world depression. The choosing of this date and the decision to hold the much-discussed London meeting were among the major accomplishments of the conversations which President Roosevelt held recently with Prime Minister MacDonald and former Premier Herriot. These two statesmen, representing Great Britain and France, have now returned to their own countries after what have been termed highly successful visits to the United States. They discussed singly and jointly the many-sided issues to come up before the World Economic Conference.

Good Will

The meetings of these world leaders were bathed in an atmosphere of geniality and good will. There were eloquent expressions of friendship, and "deep satisfaction" was frequently noted over the progress which was being made. All this was in marked contrast to the tenseness, to the spirit of ill-feeling, which characterized the international political situation a few short weeks ago. At that time war clouds seemed to be hanging perilously over the whole of Europe, and a war scare, the like of which has not been seen since 1914, swept over the continent and visibly disturbed the United States. The outlook on every front was pessimistic.

None of the deep-seated causes of this fear had been removed when Prime Minister MacDonald came to Washington, to be followed a few days later by former Premier Herriot. However, optimism took the place of pessimism. For the moment danger zones and threatened outbreaks were forgotten as the nations rallied to the invitation of President Roosevelt to come to Washington and discuss in advance the program for the projected world conference. Perhaps it was the fact that the American president stepped forward and assumed leadership in the world arena that caused this different attitude. His decisive action seemed to breathe new encouragement, new hope into the troubled spirits of the sorely distressed nations of Europe.

This renewed hope that a way will yet be found out of the morass in which the world finds itself, may certainly be set down as one of the most significant achievements of the Washington conversations. It is as though another and badly needed support had been placed under a building threatening to crumble and fall to the ground. Before President Roosevelt's dramatic invitation, which is bringing a parade of foreign statesmen to the nation's capital, and before the first of the conferences with Mr. MacDonald and M. Herriot, doubt was frequently ex-

(Concluded on page 8)



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PRESIDENT ROOSEVELT AND HIS CLOSE ADVISER, PROF. RAYMOND O. MOLEY

Professors and Politics

We are hearing a great deal these days about the college professors who are supposed to have the ear of President Roosevelt and who are exercising great influence in determining the policies of the administration. Raymond Moley, professor of political science in Columbia University, is the president's closest adviser. He is assistant secretary of state, but his activities and his counsel are by no means confined to questions of foreign policy. Rexford G. Tugwell, professor of economics in the same institution, is assistant secretary of agriculture, and he has played a large part in the formulation of the revolutionary program of agricultural relief. A. A. Berle, of the law department of Columbia University, is head of the railroad division of the Reconstruction Finance Corporation. John Dickinson, of the University of Pennsylvania, is assistant secretary of commerce. Hermann Oliphant, of Johns Hopkins University, is counsel for the Farm Administration. William Irving Myers, of Cornell, is assistant to Henry Morgenthau, head of the Farm Credit Organization. These are among the university professors who have been called upon for counsel by the new administration. "At last we have a president who recognizes the value of expert advice," a well-known economist remarked the other day, "and who is willing to listen to the opinions of trained scientists." But the spectacle of a president calling in college professors and actually following their advice seems a strange one to many persons who have grown accustomed to professional politicians, lawyers, and captains of industry in places of power and influence. The conservative press is beginning to voice distrust and resentment. The professors are pictured as visionaries who do not understand the world in which we live. "The view is expressed that unless some way is found to limit the influence of the professors a very bad situation will develop," says Frank Kent in the *Baltimore Sun*. Well, we have tried the advice of the bankers, the lawyers, the captains of industry, including the heads of certain public utility companies, and the politicians, and the situation which has developed is not the brightest which can be imagined. Perhaps men who have devoted their lives to the study of political and economic conditions, men who are not themselves engaged in business which will be vitally affected by proposed governmental policies, men who have no axes to grind, men who have observed the workings, not of one industry, but of all the industries, men who have made it a business to think about economic and political policies from the standpoint of the public good—perhaps these men are not, after all, so impractical as those who worship the "best minds" of business and banking and politics may imagine.

Control of Industry May Be Undertaken

Roosevelt May Ask Congress to Set Up Control Group Similar to War Industries Board

PRICE FIXING PART OF PLAN

Measure Is Most Drastic Step Toward National Planning Yet Envisaged

During the last few weeks, events in Washington have been following in such rapid succession that the general public and a good number of the members of Congress are left bewildered. The Roosevelt program of economic recovery has been formulated step by step and legislative authority for the carrying out of its provisions demanded with such speed as to leave Congress and the nation dazzled and befuddled. Primarily, public attention has been focused recently on two major issues—inflation and international relations. The haste with which the president announced that the United States had abandoned the gold standard and requested Congress to enact a law that would vest in him virtually dictatorial power over the monetary policies of the government caused people to wonder what was going to happen next. In the midst of furor and speculation caused by this action, the president received distinguished foreign statesmen to discuss methods by which the depression might be effectively attacked from the international front. These two developments overshadowed every other issue. They have both been treated by THE AMERICAN OBSERVER.

Black Bill

Despite the fundamental importance of these developments, other measures designed to lift the country from the depression have been working their way through the legislative machine. Of these, none is more important in its possible effects upon our system of government and our manner of living than the movement for the shorter workweek as a means of absorbing a part of the 12,000,000 men and women who are out of work at the present time. Two weeks ago, we discussed the major provisions of the Black bill, providing for a thirty-hour week in all industries whose products enter interstate commerce, which was passed by the Senate last month. From the upper chamber, the Black bill was sent to the House of Representatives where it was immediately turned over to the Committee on Labor. For some time now, the House committee has been considering, debating, amending the bill. It has called in a host of witnesses to express their views on the measure. Representatives of industrial concerns, of labor, and of the government have discussed the bill from every angle.

Perkins Amendments

At the insistence of Miss Frances Perkins, secretary of labor, who for many years has been vitally interested in labor problems, several important amendments were added to the original measure. Miss Perkins felt, as many others have felt, that the bill as it passed the Senate was inadequate and would prove ineffective in meeting the problems of labor if it provided merely for the reduction of hours of work. It would serve the workingman little, it was con-

tended, to have his hours of work cut down if some provision for wages were not included. For, the worker might find that his weekly or monthly pay check had dwindled in proportion to his weekly or monthly hours of labor. Consequently, the bill was amended so as to provide for minimum wage rates for the industries falling under the restrictions of the bill.

In order that fair wage rates might be fixed, this amendment calls for the setting up of wage boards in each industry. The boards would, in every case, be composed of three members—one representing the secretary of labor, another a spokesman for the workers of that particular industry, and a third member representing the employers. After a fair minimum wage had been determined, the secretary of labor would have the authority to insist that it be adhered to by the various industries.

The other important amendment introduced by Miss Perkins provides for the control of production by the government. This amendment would enable the secretary of labor to tell any company how many hours a week it could operate its plant, thus fixing the amount it might produce. This provision is somewhat analogous to the control exercised over private industry by the government during the World War, although it would be much less drastic in its general scope.

While these discussions were taking place in the House committee and before the final bill had been reported to the lower chamber for action, reports from the White House indicated that President Roosevelt had under serious consideration a sweeping plan for industrial recovery which would not only supersede the Black bill but would also provide for more far-reaching and radical action than anything ever undertaken by the government in time of peace. The plan had been carefully worked out by two distinguished economists, submitted to the president's advisers who wholeheartedly supported it, and then presented it to Mr. Roosevelt himself. Its primary objective is to open a way whereby the government may so control the nation's industry as to insure the early resumption of activity and the upward movement out of the depression.

National Recovery Act

This plan will, according to present indications, be submitted to Congress under the title of "the national industry recovery act." Under its provisions, the federal government would assume almost dictatorial power in controlling industrial concerns. It would regulate such matters as

the amount of goods each factory, mill, or plant could produce; it would fix prices of commodities; it would control other industrial activities. The government would exercise this authority through a special board made up of seven members—the secretaries of commerce and labor, and one representative each from finance, commerce, agriculture, labor and the general public.

The authors of the plan have received a good part of their inspiration from the nation's experience during the war. It will be recalled that when the United States entered the war, all the industrial activity of the country was rigidly controlled by the government, through the War Industries Board, headed by Bernard M. Baruch. This board enjoyed dictatorial power. It fixed prices, determined how much should be produced and allocated production to certain companies, decreed which industries had prior rights in obtaining raw materials, told certain industries that their activities were not to the interest of the public and consequently they would have to suspend operations, and delved into almost every phase of industrial activity. It was our first experience with national planning on a large scale. Without such rigid regimentation, the industrial machinery of the nation would undoubtedly have proved inadequate to meet the greatly expanded requirements of the war period.

Main Provisions

Since the War Industries Board did succeed in regulating the nation's industries to meet the war needs, there is a strong feeling that a recovery board, organized along similar lines, could effectively meet the needs of an equally grave emergency. Whereas the primary need of the war days was to gear production up to the point of demands, the present objective is to bring consumption of goods up to the point of productive capacity. We have the machines to produce a great deal more than is now being used. Factories and mills could expand their activities many times if there were a market for their goods. But no industrial concern is willing to increase its output so long as there is so much uncertainty about future conditions. Consequently, the drafters of the "national recovery act" have endeavored to work out a scheme whereby all industries may embark at the same time upon a program of expansion with relative assurance of safety. The plan would be carried out as follows: Each industry—coal, steel, clothing, cement, brick, shoe, automotive, and all the

rest—would be called upon to form a trade association to work in cooperation with the central board of seven. The trade associations would study statistics on production and attempt to decide upon the amount of goods which could be sold if conditions were fairly normal. Then, they would fix a quota for each member of the association. The trade associations would also study statistics on prices in an attempt to fix a fair price for their products. In like manner, they would work out questions of wages, hours of work, distribution and every phase of their activity.

In order that industry might have sufficient funds to increase its output to the level fixed by the associations and the central board, it must have additional funds. The plan provides that loans shall be made by the government, through the Reconstruction Finance Corporation. These loans would be used to purchase raw materials, pay wages to the increased number of employees and otherwise defray expenses. Furthermore, it is contended, the banks will be willing to advance money to industry if they see that production is being geared up all along the line and there is an opportunity for profitable investment of their surplus funds.

Naturally, a plan such as this would have to be applied to all, or at least many industries, if it were to succeed, for one industry alone could not hope to gain by producing more if the others lagged behind. It would not be able to sell its goods. But with all industries expanding at the same time, enlarging their payrolls, buying additional materials, and buying from and selling to each other, a larger market for their goods would immediately be created. The automotive industry would have to buy more steel, copper, cotton, glass, electrical equipment in order to increase its output. And it would be the same with all the others.

Public Works Feature

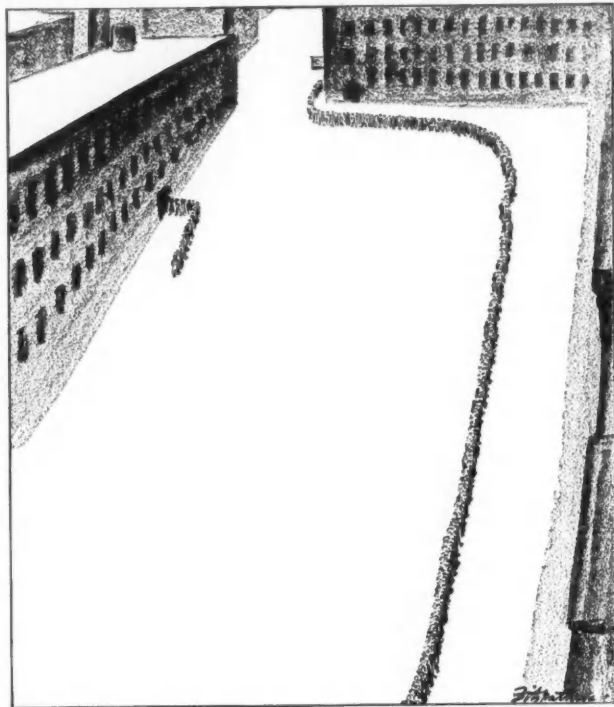
But the plan does not stop with greater production for industry. The authors believe that it must be supplemented by a vast program of public works. It the national government pours hundreds of millions, or even billions, of dollars into public construction—buildings, roads, bridges, water-works, sewage disposal plants, railroad grade crossings—and if it lends hundreds of millions more to private companies for such things as housing projects, slum

clearance, and other enterprises, a huge market for many of the products of industry will be created. These public and private projects will require copper, steel, cement, lumber, glass, plumbing fixtures, bricks, and orders will flow into the industries producing those commodities. In addition, the wages paid by the government to the workers will insure the shoe manufacturers, the clothiers and others an expanded market.

It can be seen from the foregoing that the success of a plan of this kind will depend upon the success or failure of other parts of the administration's program of recovery. It would form only a part of that larger program, parts of which have already been enacted by Congress and other sections of which are now receiving congressional attention. If, for example, the farm relief plan succeeds in lifting the price of agricultural commodities, the agricultural sections of the population will be in a position to increase their purchases of industrial products. If the inflation amendment to the farm bill achieves its important purpose of easing credit and money facilities, the funds necessary for the operation of the recovery plan will have been provided. If the banks are placed in a solvent position and people insured of safety for their money, additional funds for the activities of industry will have been made available.

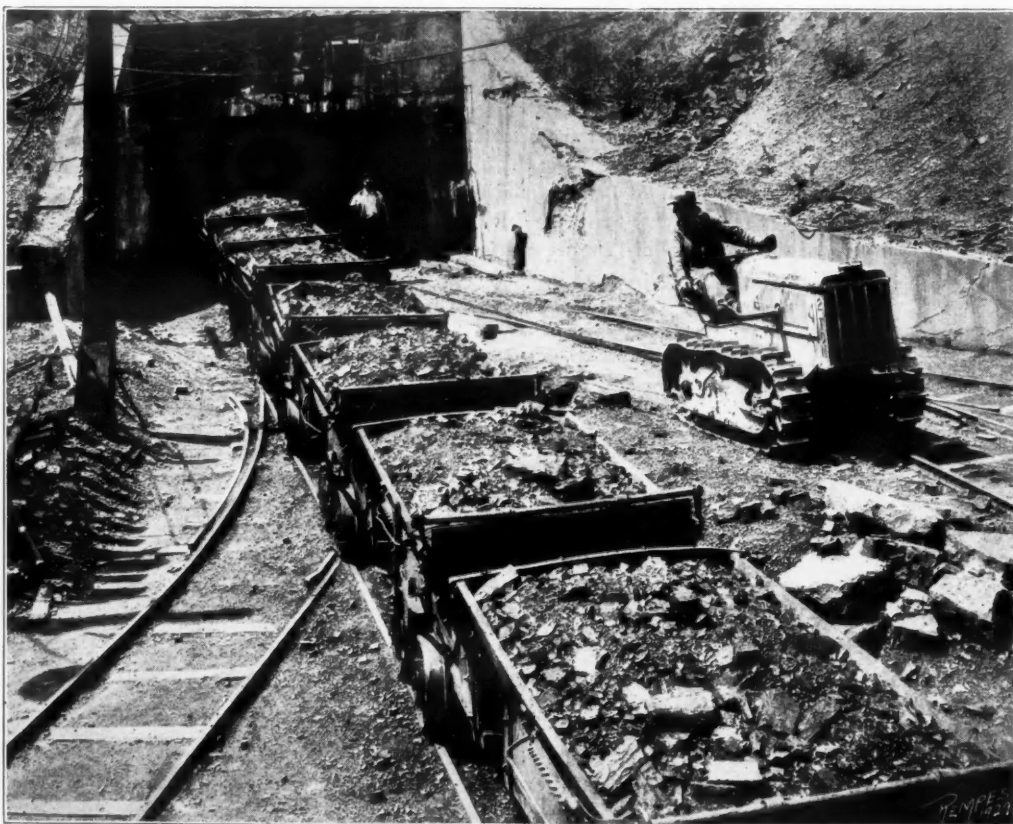
Bold Step

In other depressions, the government has made no such attempt to alter the course of economic events. It has permitted things to drift until they corrected themselves. In every other crisis, a low point has been reached—a point where retail stores' supplies were finally exhausted and new orders had to be placed. Then the upward movement has started and prosperity has gradually been restored. The present leaders of the government, however, appear determined not to let conditions drift along. If it is possible to intervene in such a way as to start the upward trend, they are willing to take the necessary action. And while the president and the drafters of this plan admit that it is a "daring" and "audacious" program, they believe that present conditions are sufficiently serious to warrant its trial. Not only is the problem of those already unemployed so grave as to cause misgivings among those in responsible positions, but the possibilities of further disaster are real. Many industries are now on the brink of the precipice and, if they fall by the wayside, more people will be thrown out of work and the general downward trend is likely to continue. That is why many business leaders who would have branded such a plan as fantastic a year ago, are now standing behind the president.



THE WORK LINE AND THE BREAD LINE

—Fitzpatrick in St. Louis POST-DISPATCH



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THE COAL INDUSTRY WOULD BE ONE OF THE FIRST TO BE BROUGHT INTO THE INDUSTRIAL REORGANIZATION PLAN UNDER CONSIDERATION IN WASHINGTON



CONGRESS took the following action during the last week of April:
SENATE: Passed the farm relief bill with its farm mortgage relief and inflation amendments by a vote of 64 to 20. Passed the House \$500,000,000 unemployment relief bill after adding several minor amendments. Banking Committee reported favorably the administration's securities regulation bills. Confirmed the appointment of Nellie Tayloe Ross as director of the mint. Banking Committee subpoenaed J. P. Morgan and his partners to testify on stock market operations on May 23.
HOUSE: Passed the Roosevelt Muscle Shoals-Tennessee Valley development bill by a vote of 306 to 91. Approved a resolution calling for Judiciary Committee's investigation of impeachment charges against Judge James A. Lowell of Boston. Labor Committee held hearings on 30-hour week bills for industry. Debated and passed home mortgage bill of administration by vote of 383 to 4. Debated the Senate farm relief-inflation bill.

Roosevelt's Conversations

His conversations with Prime Minister MacDonald, former Premier Herriot, and Prime Minister Bennett over, President Roosevelt turned his attention to the representatives of other countries. The Argentinian ambassador to France, Tomas O. Le Breton, head of his country's delegation, was received by the president for the first of a series of conferences on May 1. The Italian delegation, headed by Dr. Guido Jung, finance minister, arrived the day following.

Iowa Revolts

Iowa has again become the scene of violent agrarian revolt. Their principal grievance is mortgage foreclosures. On April 27, more than 100 irate farmers stormed the courthouse at Lemars, dragged Judge Charles C. Bradley out, and inflicted physical violence upon him because he refused to swear that he would sign no more mortgage foreclosures. The situation became so tense in the surrounding country that martial law was declared in two counties and the National Guard was obliged to restore order at the point of the bayonet.

Work for Congress

According to an agreement reached last week between President Roosevelt and Senator Joseph T. Robinson, Democratic leader in the upper house, Congress will adjourn early in June, before the convening of the World Economic Conference in London. In order that adjournment may take place at that time, a number of the measures on the Roosevelt program will have to be carried over to the regular session which will convene next January. The major proposals, however, which will be pushed with a view to their enactment during the special session are as follows:

1. The Muscle Shoals-Tennessee Valley project, already passed by the House and up for consideration in the Senate last week.
2. The bill calling for reorganization of the railroad system of the nation, which the president is expected to recommend within a few days.
3. The home mortgage bill, calling for a reduction of interest rates on urban real estate mortgages, already passed by the House.
4. Regulation of securities (stocks and bonds) bill, recommended by the president but not yet acted upon by either house.
5. Banking reform bill of Senator Glass, still to be considered by both houses.
6. Two appropriation bills left from the last Congress.
7. Bill authorizing a program of public works, not yet drafted.
8. Measure authorizing the president to handle the war debt problem and to negotiate tariff agreements with foreign nations, not yet drafted.

Rhode Island Repeals

In a special election on May 1, voters of Rhode Island overwhelmingly declared themselves in favor of ratification of the proposed twenty-first amendment to the Constitution. All 31 delegates to the convention which was scheduled to vote formally on repeal of the eighteenth amendment May 8 were pledged to vote for the new amendment. Thus Rhode Island becomes the third state to favor the abrogation of the prohibition amendment, Michigan and Wisconsin having previously taken action.

The results of last week's election in Rhode Island caused little surprise among

observers because that state has always been extremely wet. It was one of the two states which failed to ratify the eighteenth amendment at the close of the war. Connecticut was the only other state which failed to fall in line at that time.

Cox to London

James M. Cox, Democratic candidate for the presidency in 1920, has been appointed delegate to the World Economic Conference to be held in London early in June. It is thought likely that Mr. Cox will head the American delegation which will be made up of seven or nine members. Secretary of State Hull is expected to be in London for the opening of the parley, although he will not spend more than a week or ten days in Europe.

Reports from Washington last week indicated that President Roosevelt might address the London conference in person if conditions in this country permit his leaving the country. The visiting European statesmen are said to have urged such a course upon the president in the interest of the success of the conference.

Gibson to Brazil

Hugh S. Gibson, American ambassador to Belgium and leading figure in all the recent international conferences and discussions on disarmament, has been appointed ambassador to Brazil by President Roosevelt. Mr. Gibson has been in the United States diplomatic service since 1908. He has worked himself up from the ranks, his first appointment having been as secretary of the American legation in Honduras. He has filled posts in Cuba, London, Brussels, Paris, Poland, Switzerland, in addition to a number of appointments on special missions.

Railway Reorganization

President Roosevelt has under consideration a plan for the reorganization of the railroad system of the nation which, it is expected, he will recommend to Congress before the adjournment of the special session. According to the bill, all the lines of the nation will be placed under three regional groups, eastern, southern and western. A federal coordinator will be named to supervise the roads with a view to their reorganization upon a more economical and efficient basis.

Gandhi Fasts Again

Mahatma Gandhi, who last year forced England's hand on the issue of an electoral system for India, by going on a hunger strike, has threatened to pursue similar tactics again to win another point. This time his fast is directed against his own countrymen. He was scheduled to start fasting this week as a protest against the social discriminations which exist against the depressed classes of India—the Untouchables. Although Great Britain has lifted the discriminations against them, the other caste Indians appear unwilling to permit the Untouchables to move out of their sphere of social inferiority.

Japan, Russia and the C. E. R.

A new angle was introduced into the Far Eastern affair late last month when danger of an open break between Japan and Russia appeared. The quarrel was over the Chinese Eastern Railway, owned jointly by Russia and Manchukuo. Manchukuo charged that the Russians were endeavoring to keep a part of the road's equipment in Siberia, and Russia's ownership of the road was challenged. The situation became so serious that the Japanese began withdrawing their troops from Northern China and sent them to the Russian border. It was reported on May 1 that Japanese planes had bombed the Chinese Eastern Railway tracks near Prokharichnaya. It was declared that the Japanese tore up the tracks to prevent further equipment from being removed. The planes were said to have retreated when a number of Russian planes made their appearance. The fact that Japan has withdrawn some of her troops from Northern China, however, does not mean that the campaign in that region is being diminished. Fighting has been continuous along the Great Wall, and the people in

Peiping and Tientsin are still uneasy lest the Japanese push southward and capture those cities. The Chinese were reported to be seeking a truce with the Japanese.

Arms Parley Convenes

The disarmament conference convened again on April 25 after a month's adjournment. When the delegates assembled at Geneva, the conversations between President Roosevelt and his two foreign visitors, Prime Minister MacDonald and former Premier Herriot, were in full progress. The Geneva meeting marked time, therefore, until events in Washington became known. It was not kept waiting long. Norman Davis hinted the next day that the United States was favorably disposed toward a general consultative pact, although our collaboration was dependent upon the extent to which other nations were willing to disarm. A day later Mr. Davis announced that our government favored the MacDonald plan for disarmament, and urged its acceptance without amendment.

Heads the Mint

Another woman has been named to an important post by President Roosevelt. She is Nellie Tayloe Ross, former governor of Wyoming, and now she becomes director of the United States mint. In this office, Mrs. Ross will direct the coinage of money. She is the first woman to hold this position. Thus, for the third time President Roosevelt has shown his faith in a woman's ability to hold an important political post. He has already chosen Ruth Bryan Owen to be minister to Denmark and has included Frances Perkins in his cabinet.

Revolt in Cuba

Another short-lived revolt broke out in Cuba during the latter part of April. Dissatisfaction with the rule of President Machado led to scattered insurrections which, however, were easily suppressed by the government. For some time there has been discussion among Cubans in the United States of an organized revolt against what have been termed the tyrannous tactics of President Machado, who has been carrying on a campaign of assassination and terrorism against his political enemies. The leader of the anti-government forces is former President Mario J. Menocal. The present disposition is to await developments pending the arrival of Sumner Welles, the new American ambassador. They hope that eventually the American government will intervene in the affairs of Cuba.

Germany's Ogpu

The Hitler government in Prussia, under the direction of Captain Goering, Prussian premier, has ordered the formation of a Prussian secret police. This organization is to be similar to the famous Russian Ogpu, the department of the Soviet government which makes life exceedingly unhealthy for any enemy of the Communists. The Prussian police will be completely independent and will devote its efforts to tracing and combating all political activities dangerous to the state. The police will be charged with supervision of the press.

Hitler's Program

Speaking vaguely and with many generalities, as is his custom, Adolf Hitler on May 1 announced the program for the first year of his four-year plan. The most striking feature was the declaration that compulsory labor will be introduced this year for every young German. Hitler also said that highways and waterways would be improved and that the government's first efforts would be devoted to the improvement of the condition of the peasants. Industrial labor would come next, and the intellectual classes third.

May Day

May Day, the day on which Communists in all parts of the world stage demonstrations, passed very quietly this year. The only serious disturbance in the United States was in Chicago where five large buildings were bombed. In New York, 50,000 radicals paraded, and only

one arrest was made. The greatest celebration was held in Moscow where 1,000,000 soldiers and workers were reviewed by Stalin.

Shifting Russian Masses

The Soviet authorities, who never hesitate to hazard an experiment, are now planning to shift the entire Russian population. The people will be redistributed in such a way that only those most loyal to the Communist cause will be kept in important industrial centers and along the frontier. Desirable and undesirable citizens are to be separated and kept apart. In this way the Soviets expect not only to insure protection from possible attack against the government but also to depopulate the large cities which are overcrowded. As a further safeguarding measure, each of the 3,200,000 members of the Communist party is to be examined to make sure of his loyalty. It is believed that this "cleansing process" may mean the expulsion of no less than 1,000,000 members.

Cerro Assassinated

Luis M. Sanchez Cerro, the president of Peru, was assassinated on April 30 while reviewing troops being trained to fight against Colombia in the dispute between the two nations over Leticia. The assassin, a member of the radical Aprista party opposed to the president, was himself caught and immediately killed. Martial law was at once declared throughout the republic and the cabinet assumed emergency executive powers. General Oscar Benavides, who has spent many years in Europe as Peru's diplomatic representative, became provisional president.

Miss Buck Resigns

Pearl S. Buck, Pulitzer prize winner for her "Good Earth" and Presbyterian missionary in China since her girlhood, has resigned from her position as missionary and her resignation has been accepted by the Board of Foreign Missions. For several weeks, Mrs. Buck has been under fire for certain criticisms voiced and written against missionary practices in the Orient. When she refused to retract the statements which were objectionable to members of the missionary board, Mrs. Buck's resignation was accepted.

British Budget

The British government has made public the figures for its budget during the next fiscal year. The budget will be balanced, although the British will remain the most heavily taxed people in the world. Following last year's procedure, no provision was made for the payment of \$193,500,000 in war debts to the United States. The chancellor of the exchequer, Neville Chamberlain, explained that the omission had been made because the figures covering war debts were not in final form.

At the World's Fair

Visiting the world's fair at Chicago this summer will in many ways be like a trip around the world. Many foreign countries are going to have exhibits showing customs and modes of living unknown in the United States. For example Belgium is constructing an old village, China a walled-in town, Czechoslovakia will display its art and industries, Morocco is having a typical village with an open-air café and other countries plan similar exhibits.

Public Works

Secretary of War Dern, Secretary of the Interior Ickes, Secretary of Agriculture Wallace, and Secretary of Labor Perkins are at work on the public works program bill which President Roosevelt is expected to present to Congress before the special session adjourns. The extent to which the president will go in demanding public works as an unemployment relief measure has not been made public.

Confidence

Pan American Airways, the great air transport organization which maintains a regular service to Latin America and which has an interest in the airways of Alaska and China, has ordered the construction of six giant trans-oceanic flying boats. They will be the largest air transports which have ever been built in the United States. Pan American Airways, having confidence in the leadership of President Roosevelt, expects that by next year there will be an increase in world trade and that there will be a demand for trans-oceanic transportation.

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As the Editor Sees It

IT is reported that President Roosevelt will ask Congress for authority to deal effectively with the international debts. He may ask for power to reduce the debts owed to the United States materially, in case such a reduction may be made a part of the general settlement of international economic problems. A proposal of that kind will meet with opposition in Congress and in a section of the American press. Rumbblings of opposition are already being heard. Senators Borah and Johnson let it be known the other day that they would oppose concessions on the debts under existing circumstances. It is probable, then, that the president will have a fight on his hands when the time for decision on the debts comes, as come it must before very long.

One point in this controversy is the subject of a great deal of confused thinking. Opponents of debt reduction have said all the time, and are still saying, that we should not make debt concessions to nations of Europe unless they will reduce their armaments. If we make any concessions at all, it is argued, we should make them on condition that the debtor nations will reduce their armaments materially.

The United States cannot contribute either to a settlement of the debt problem or to disarmament by taking a position of that kind. The debts and armaments are two entirely different questions and will have to be settled separately. If a European nation feels that it is insecure and that it is likely to be attacked, it cannot be induced to cut down the forces which it conceives to be necessary for its protection by any gift of money from another government. The attitude of the United States under similar circumstances would be the same. If, for example, Japan were located where Mexico is, if the Japanese had a large army and if it were thought probable that they would undertake to invade Mexico or California, the United States would no doubt insist upon heavy armaments. If another nation halfway around the globe should offer to make us

a concession in terms of money if we should reduce our armaments we would turn a deaf ear to the proposal. We would say, "The only way you can get us to disarm is to do something that will make us feel more secure against attack from Japan. You cannot hire us with money to disarm and place our people at the mercy of the Japanese. If you will agree to help us in case we should be attacked, we will consider disarmament, but we cannot regard a gift of money or a reduction in the debts which we owe to you as having anything to do with our own problem of protection."

That is exactly the way certain European nations feel. The French are not arming because of the debts they owe the United States or because of any fears they may feel as to our use of force for the collection of the debts. They are arming because Germany and Italy are at hand, and because they fear the Germans and the Italians. Is it reasonable to suppose that they would cut the forces which they think are required in order to insure their protection against these neighbors if the United States were to excuse them from their obligation to pay forty or fifty million dollars a year? The two matters are simply not connected. If the United States government were to assure the French that in case they were attacked without provocation we would go to their assistance, they would probably be willing to reduce their armaments. The proposed agreement whereby the United States may promise to enter into consultation to see what should be done about it in case any nation is threatening to go to war against another nation—such a so-called consultative pact may be sufficient to induce the nations which feel unsafe to cut down their arms. Perhaps America should, and perhaps she should not, enter into such an agreement. I am not discussing that point at this time. But the consultative pact question is a part of the question of disarmament. The problem of war debts is not. The sooner the American people get that straight, the sooner they will be in a position to think realistically about both the debts and disarmament.

ANOTHER angle to the argument about war debts and armaments is to be observed in the assertion that if the debtor nations can raise money for armaments, they can also raise money to pay their debts. This contention seems plausible enough on the surface, but it does not bear investigation. The trouble with the debtor nations is not that they are unable to raise by taxation sums of money sufficient to meet the yearly debt installments. The trouble is that they cannot transfer this money to another nation without dangerously depleting their gold reserves. When they raise revenue by taxing their people, and spend it for ships or for armies, the money is spent at home. It does not reduce the total supply of money in the country. Expenditures like that create budget prob-

lems, but not transfer problems.

The transfer problem arises from the fact that a country cannot, in the long run, send more money out than it takes in. If the people of a country are producing more than they require, if they are exporting more than they import, a surplus will arise, and it can be exported. If, on the other hand, a people are importing more than they export, there is a drain of gold which will soon become dangerous. The people then erect trade barriers designed to check imports. They adopt various devices, such as export bounties, or "dumping," to stimulate their exports. These policies hurt other peoples who in turn retaliate, and thus we find ourselves in the midst of international economic strife. That is one of the troubles with the world today, and the difficulty is aggravated by the requirement that nations which already are importing more than they export shall be required to ship gold to a country like the United States which is exporting more than it imports.

The problem of transferring gold to the United States becomes the more severe because of the fact that the government of the United States, by erecting a tariff wall, prevents the debtor nations from selling the American people goods and thus prevents them from acquiring the money with which to make debt payments.

The whole problem is complicated. It calls for careful, cool and detached thinking. We will be hopelessly lost in our attempt to settle it if we pay attention to the section of the press which is emotional rather than reasonable, and which feeds upon hatred, fear or distrust of foreign peoples.

ONE who is attached to the principles of democratic government must read about recent events in Iowa with great concern and misgiving. The farmers of that state have a very real grievance. They borrowed money and mortgaged their homes at a time when money was cheap and when the prices of their products were high. They are obliged now to pay back these debts at a time when money is dear and when the prices of their products are cheap. This imposes upon many of them impossible burdens. They are losing that most precious of possessions, their homes.

That they should, under these circumstances, organize for the purpose of saving their homes is natural. That they should forsake the processes of law and resort to violence is most regrettable. The farmers who attacked a judge who refused to promise not to take part in foreclosure proceedings, who threw a rope about his neck and left him unconscious by the roadside, were doing a most dangerous thing. It is dangerous to nullify law and engage in acts of personal violence. For when law is no longer obeyed by all, by a sort of second nature, when the notion has become prevalent that law may be obeyed only when those whom it affects decide that it is fair and just, the way is thrown open to violence by the most incompetent and the most ruthless elements of society. We cannot ever establish the principle that good and respectable and reasonable people may take the law into their own hands and that the rougher and more violent elements must respect it. Any one, then, who strikes at any law or who refuses to obey it, is encouraging the letting down of the bars all along the line. He is striking at order and decency and progress.

I am not prepared to say that revolution is never justified, but I will say that very, very rarely is either domestic or international violence necessary for the attainment of any worthy end, and that almost never does it result in the advancement of justice, or honor, or economic well-being.

If laws once enacted should always be obeyed, it follows that these laws should not be too rigid and that it should be easy for a majority to change them. A consti-



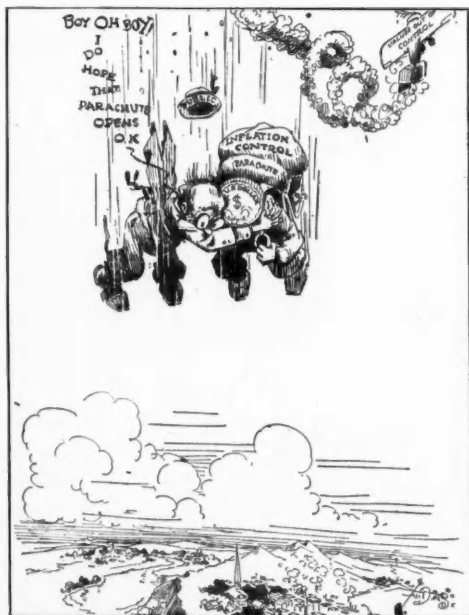
A GREAT PROMISE AND A GREAT OPPORTUNITY
—Fitzpatrick in St. Louis Post-Dispatch

tution which is too rigid, which is too hard to change, and which prevents the people from enacting legislation in the interest of what they conceive to be social justice, stands as an invitation to violence. If the Iowa constitution is preventing a majority of the people from doing lawfully what they wish to do, it probably calls for attention.

SENATOR CARTER GLASS of Virginia, a respected authority on questions of finance, commanded wide attention by his opposition to the administration's inflation bill. He declared that an attempt to raise prices by an inflation of the currency would constitute an act of dishonor.

It seems to me that the Virginia senator and those who take a like position greatly overstate the case when they speak of the dishonor of inflation. Inflation may be a wise and prudent policy, or it may not, but it is scarcely dishonorable. A suggestion to that effect can be made only on the assumption that money serves its purpose only as a substitute for a certain amount of gold. It assumes that when people use money, or when they make contracts to give or receive money, they are thinking in terms of gold. That is an assumption contrary to fact. If I agree to pay or to receive a given number of dollars at a future date, I am not thinking about gold, or gold content. It is relatively unimportant to me that when the money is delivered it may be traded for a specific quantity of gold. The important thing for me to know is how much food, or clothing, or shelter or other commodities the dollars can be exchanged for. A sound currency and an honest currency is one whose value in relation to commodities does not change too much.

One can say that a dollar exchangeable for a certain quantity of gold is an honest dollar and the only honest dollar, if he wants to. But he will have a hard time convincing the farmer who borrowed the dollar when it would exchange for half a bushel of wheat and was obliged to pay it back when he could obtain it only by giving up a bushel and a half of wheat. If it is possible to keep the dollar at approximately the same value when considered in relation to commodities, that dollar will be honest enough to suit most of us. Whether or not it is possible to maintain such a standard of value by going off the gold standard and operating a plan of so-called "controlled inflation" is another matter. Perhaps we may find out after a while, as we find out so many things, by experiment. The fact is that we have not had an "honest" dollar in the sense that it has been a stable inflexible dollar. It fell in value during and after the war. Then it rose again while prices fell. Now, we are making the attempt to get at least part way back. There is no present occasion for alarm. The course of the administration, while experimental, is not rash or heedless.—W. E. M.



WELL, HERE GOES
—Darling in N. Y. Herald-Tribune

WITH AUTHORS AND EDITORS

We read old books for their excellence, but new ones to share in the mental life of our time.—SATURDAY REVIEW OF LITERATURE.

Recent Books

FOREST BANKRUPTCY IN AMERICA. By Lt. Col. George P. Ahern. Washington: The Green Lamp League. \$2.00.

Particularly interesting just now, with reforestation as a remedy for unemployment under way, is this book by Colonel Ahern. The author is a forester, a founder of one of the pioneer schools of forestry, who has had fifteen years successful experience directing the Philippine forest service. In "Forest Bankruptcy in America" he discusses the forest situation in each of the forty-eight states. In the case of each state he describes the original forests, the ways in which these forests have been depleted, possibilities in the way of reforestation and practical programs which are under consideration. The book is valuable, therefore, for one who is not satisfied merely to talk about the destruction of forests, but who would like suggestions as to what may be done in a concrete way in his own state.

ESSAYS IN BIOGRAPHY. By John Maynard Keynes. New York: Harcourt, Brace and Company. \$2.50.

Mr. Keynes, a well-known English economist, has brought together here a collection of biographical notes and character sketches of prominent political leaders and of eminent economists. He analyzes the personalities and careers of Lloyd George, Bonar Law, Lord Oxford, Edwin Montagu and Winston Churchill. He also has a chapter on the Council of Four—the four men who dominated the Peace Conference, Woodrow Wilson, Lloyd George, Clemenceau and Orlando. Most of these sketches are reprints from earlier works. Among the economists who figure in this collective biography are Robert Malthus, famous for his theory of population, and Alfred Marshall, one of the great nineteenth century economic scientists.

HORROR HOUSE. By Carolyn Wells. New York: A. L. Burt Company. Seventy-five cents.

This is a very good detective story which really is not so horrible in content as the title might lead one to believe. It is not particularly gruesome. It is full of action, however. The scene is laid in a country house and one has an opportunity to become quite well acquainted with the characters. He is led to suspect first one and then the other, as is the case with most detective stories. The plot is not sensational and the story is one which may not be long remembered, but it is diverting and ranks, we should say, among the best of the year's mystery and detective output. Miss Wells is a competent artist, well versed in the difficult technique of mystery story writing.

PAGEANT. By G. B. Lancaster. New York: The Century Company. \$2.50.

This book has all the appeal and charm of the traditional historical and frontier novel. But, unlike its prototypes in American literature, the scene is laid in a distant land with which few readers of either fiction or history are familiar, the island of Tasmania. The same elements that characterize stories of the American frontier—romance, adventure, intrigue, conflict, and highly colored description—are present in this work of Miss Lancaster, herself an Australian born in Tasmania.

Throughout the course of this chronicle, the reader follows the vicissitudes of three generations of the Comyn family. From the middle of the last century to the end of the Victorian period we walk hand in hand with the protagonists of this drama. And because their experiences seem so remote and so unreal to us today, because their lives and aspirations were so highly flavored with the romanticism of the period, because their problems were those in-

evitably linked to the frontier, and because, finally, readers generally are drawn to the glamour of far-off lands, this novel has many of the elements making for popular appeal.

The principal merit of Miss Lancaster's work is the effectiveness with which it depicts the conditions of Tasmania rather than the perfection of the story itself. The early struggles between the aristocracy and the convicts who were sent to the island from England when it was a penal colony, the episodes of the bush-rangers, the pettiness of the families of rank among themselves in seeking position and prestige—all are painted with unusual skill and commendable accuracy. But for some reason or other, the characters themselves do not quite ring true. They would appear to belong to an unreal world, their lives being only superficially touched by the actual conditions which surround them. Even this limitation may turn out to be an asset to the reader who is satiated with reality in its starkest manifestations and who conjures up images of a world that once was. Certainly it does not detract from the general excellence of the book.

Magazines and Newspapers

DOES THE GOVERNMENT of one nation have a right to take a course which is injurious to another nation? Have the people of one country a right to enact legislation which, though perhaps helpful to themselves, is hurtful to a neighboring people? They have a legal right to do this, for each nation legislates for itself, but how about the moral right? Has one government a right to enact a tariff law which excludes the products of another nation? It is a law affecting its own people, to be sure. It is also a law affecting other people. Should the government enact such a law without consulting the other government which is affected? Should the foreign representatives of a government drum up trade for citizens of the nation they represent? Should they bring pressure to bear upon the government to which they have been assigned, forcing this government to grant favors to citizens of the nation they represent? These are vital questions. They do not refer to imaginary circumstances but to actual situations which arise in the everyday experiences of diplomats and of governments. These questions have to do with relations of nations, with problems of peace and war. What is the answer to them? The problem is discussed by Sir Arthur Salter, eminent English economist, in the May *Harpers* under the title "A New Economic Morality."

THE "CONGRESSIONAL DIGEST," a monthly magazine published in Washington, D. C., devotes the May number to a consideration of tariff and trade problems. There is a historical background covering the experience of the United States with reciprocity and commercial treaties. Following this there are a series of arguments for and against the adoption of a reciprocity policy by the United States. This discussion is timely inasmuch as the Roosevelt administration is proposing to lower trade barriers by entering into reciprocity tariff treaties with foreign governments.

EACH YEAR the so-called Pulitzer Awards are made for conspicuous contributions along various lines by journalists. Prizes are granted from a fund set aside by Joseph Pulitzer, who for many years pub-



© Wide World

DAVID LLOYD GEORGE

The British statesman is one of principal characters treated in "Essays in Biography."

lished the *New York World*. Selections are made by the trustees of Columbia University on the recommendation of the Advisory Board of the School of Journalism. This year the following awards were made: "For the most disinterested and meritorious service rendered by an American newspaper during the year," to the *New York World-Telegram*, for its articles on veterans' relief, the real estate bond evil, the New York municipal election and certain lottery schemes practiced by fraternal organizations.

For the best example of correspondence during the year, to Edgar Ansel Mowrer, Berlin correspondent of the *Chicago Daily News*, for his interpretation of German political crises.

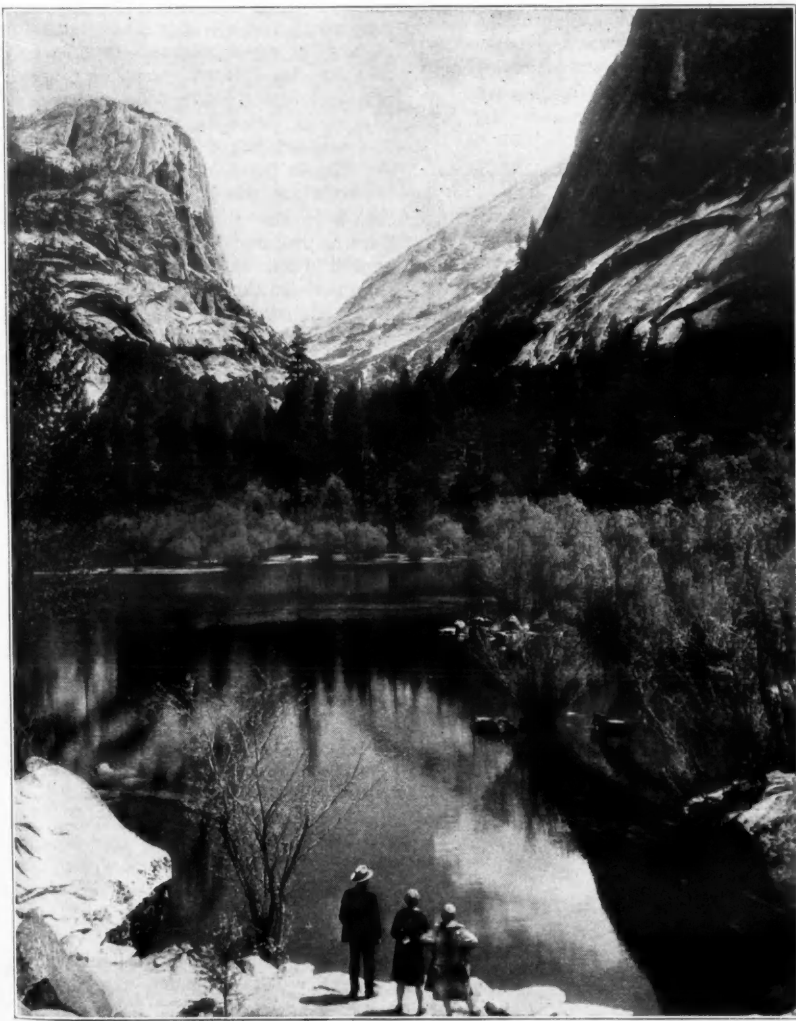
For the best editorial, to the *Kansas City Star*, for a series of editorials on national and international subjects.

For the best example of reporting, to Francis A. Jamieson, staff correspondent of the Associated Press at Trenton, New Jersey, for the reporting of the Lindbergh kidnapping.

For the best cartoon of the year, to H. M. Talburt of the *Washington Daily News*, for the cartoon "The Light of Asia," published on January 27, 1932. In this cartoon Japan is shown holding in her hand a burning sheet of paper, representing the Nine Power Treaty and the Kellogg Pact.

THE MEMBERS of THE AMERICAN OBSERVER staff were greatly gratified when they learned that their neighbor, H. M. Talburt of the *Washington News*, had been accorded the Pulitzer Prize for having produced the best cartoon of the year. For many months we have rated him among the very best of American cartoonists and we have drawn very heavily upon his work in the illustration of our paper. Not only do we respect him as a cartoonist, but we like him immensely as a man. He is broad in his interests. His mind travels over a wide range of reading and thinking. He has a keen interest in every aspect of life, and these qualities contribute to the appeal of his cartoons. Add to this equipment his fine sense of humor and one finds the ingredients essential to greatness in a cartoonist. There are many cartoonists who now and then do an outstanding piece of work. Mr. Talburt hits the mark nearly every day of the year.

PRONUNCIATIONS: Franz Seldte (frahnts selt'tay), Sanchez Cerro (sahn'chez sair'ro), Benavides (ben-a-vee'des), Aprista (a-pres'ta—a as in final), Le Breton (lay bre-tahn'), Guido Jung (gwee'do yong).



© Ewing Galloway

YOSEMITE NATIONAL PARK, CALIFORNIA

A survey of the nation's forests is presented in "Forest Bankruptcy in America," by Lt.-Col. George P. Ahern.



A CLEAR understanding of the multitudinous ills which beset the world today is possible only through an appreciation of a number of factors directly connected with the World War.

Historical Importance of World War

One of the major objectives of the student of history, therefore, should be to grasp the fundamental significance of that universal cataclysm. Whether it is a question of the forthcoming World Economic Conference, the conferences between President Roosevelt and world statesmen, the rise of Hitlerism in Germany, the impotence of the disarmament conference, the perpetual international bickerings over frontiers, tariffs and other problems which tend to keep war clouds hovering over the world, or any major problem of universal concern, the World War plays an unusually important role. Thus, the student of history should view this titanic struggle not as a series of battles and military maneuvers, but in its relationship to our present-day difficulties.

It should be admitted at the outset that the World War failed to achieve the major purposes for which it was fought. The fervor with which Americans plunged into the conflict in order "to make the world safe for democracy" has been proved by subsequent events to have been fruitless. While autocratic monarchies have been largely done away with, dictatorships have risen in their stead to thwart the very principles of democracy. The clamor for a settlement of boundaries that would no longer permit peoples to live under foreign rule was unavailing, for today millions of minority peoples complain of oppression just as they did before 1914. As a war to guarantee security, the four-year struggle likewise proved farcical, and the fear of foreign invasion chills the hearts of most European peoples today as much as it ever did. Nor was economic freedom won, as each year since the signing of the peace treaties has seen a general raising of tariffs and other trade restrictions until the world finds the channels of trade choked to the point of suffocation. Viewed from the point of view of achievement, the World War was one of the grossest blunders in the entire history of civilized man.

Today, the world is plagued by three conditions directly traceable to the war. In the first place, the rise of political nationalism has been intensified by adjustments made at the Paris conferences. Secondly, economic nationalism has grown apace with this patriotism and national pride as a concrete manifestation of them. The third condition wrought by the World War was the sweeping dislocation of industry from which the world has not yet recovered. It is our aim this week to consider each of these three results of the war.

The war gave politicians in every country an excellent opportunity to appeal to popular prejudices and to stir the fires of international hatred. The peace treaties left a fertile ground in which the seeds of pride for one's own nation and hatred for other countries could sprout.

The vanquished peoples smarted under the yoke of debt with which they were saddled. They considered themselves servile races, forced to pay tribute to an unyielding foe. The Germans, Austrians, Hungarians and Bulgars, forcibly disarmed by the victors, felt that their sovereignty had been infringed upon and cried out for equality in the family of nations. They rankled at

Major Consequences of the World War

By David S. Muzzey and Paul D. Miller

the sight of millions of their countrymen living under foreign rule, of their national territory reduced to a fraction of its former size, and, in the case of Germany, at the sight of their country split asunder by the Polish Corridor. Conditions such as these inevitably led to a solidification of national feelings and a development of the bitterest type of nationalism. The most recent manifestation of all this has been the ascendancy of Hitlerism in Germany with its campaign of anti-foreignism, narrow nationalism and strict dictatorship.

Nationalism was no less inevitable in the newly created nations. Millions of Poles, Czechs and Slavs of different categories, finding themselves freed from what they considered generations of foreign oppression, sought to build up a united spirit of national pride and patriotism. Once established as independent nations, they were determined that nothing should hinder their progress and permit the former state of affairs to return. Consequently, they raised large armies and in every other way possible undertook to protect their borders. Whereas they had previously been minority peoples, they were now majority peoples and within their borders lived foreigners who had been their oppressors before the map of Europe was changed. They vent their spleen on these minorities, again giving rise to a storm of protests and international friction.

Nor was nationalism less intense among the victorious peoples. Having waged a war to protect their rights and regain territories which, they believed, rightfully belonged to them, they were determined to retain their spoils of victory. Under no conditions were their former enemies to be allowed to regain their previous power and prestige lest they be in a position to repeat the episode of 1914-1918. From

their viewpoint, peace was possible only by keeping Germany and her allies in a state of permanent inferiority.

The upshot of all this was the desire on the part of all nations for self-sufficiency—economic nationalism. Having been hard put to it during the war to obtain foodstuffs and necessary materials from abroad, they embarked upon a policy of producing within their national boundaries all that they needed. They fostered new industries. They encouraged agriculture. In order to build plants and buy machinery, they sought foreign markets for their goods. In order that these new industries might not be annihilated by a flood of foreign goods, they erected high tariff barriers.

In the case of Germany and the countries having a gigantic burden of reparations to pay, the establishment of import restrictions of one form or another was necessary. They had to sell more abroad than they bought in order to raise the money for reparations payments. The allies, in like manner indebted to the United States for loans made during the war, were forced to pursue similar policies. Thus everywhere new tariffs shot up and old ones were increased. The creation of a number of new nations diminished the size of economic units with their available markets. Whereas the industrial products of Austria, for example, could be exchanged for the agricultural commodities of Hungary without scaling tariff walls, trade flowed freely between the two regions. But when new boundaries were created at Paris this free exchange of goods became impossible and trade languished.

At the same time, a similar course was being followed across the Atlantic. The United States government, too, was raising its tariffs. The import duty rates were increased by the Fordney-McCumber law passed in 1922 and again by the Smoot-Hawley act in 1930. Thus, Europe found that it was unable to dispose of its surplus products in this country and could not raise the money necessary to meet its debt installments. Consequently, it had to ship gold to the United States. The drain of gold from Europe to America resulted in an accumulation of more than one-half the world's gold supply in this country. All this led to untold dislocations, resulted in a dwindling of foreign trade, and culminated in pushing many of the countries off the gold standard.

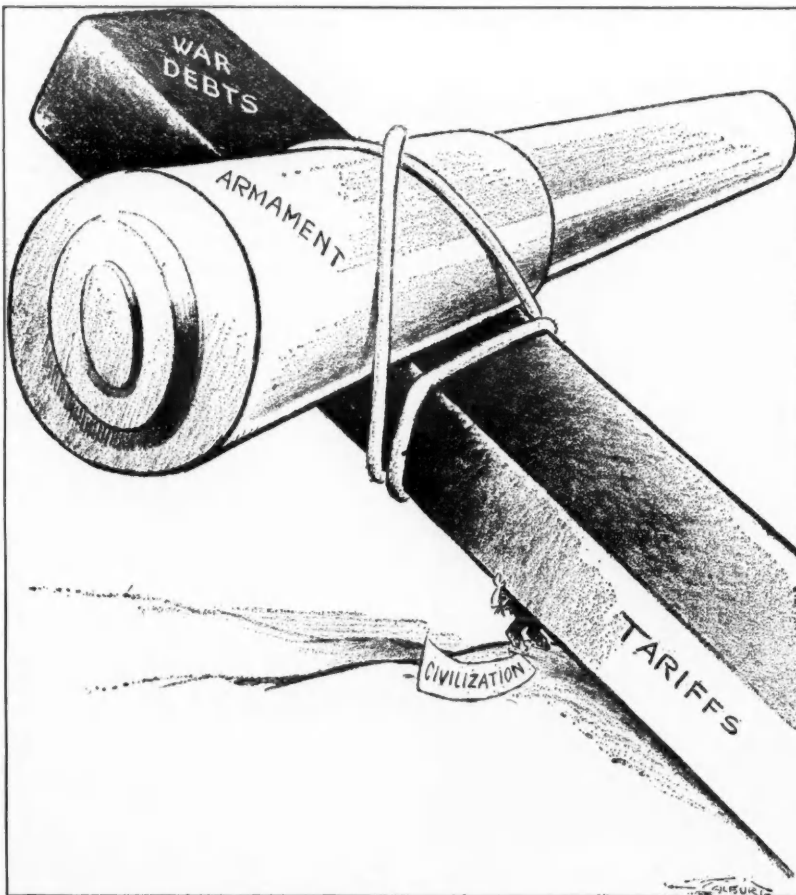
The third consequence of the war, one which is equally difficult of solution, is the dislocation of industry. It is everywhere apparent and particularly so in the United States. Before our participation in the conflict, we were obliged to supply the allies with munitions, all

sorts of manufactured products and farm goods. In order to meet these heavy demands, production was geared up to an unprecedented pitch. New factories were built and set into operation. And when we entered the war ourselves, the demands became even greater.

But when the war ended, this artificially stimulated market shrank to its pre-war size. As the industries of foreign countries resumed their activities, it declined still further, for those countries also began producing more than they had formerly. The world was glutted with all sorts of goods; factories operated part time or closed down completely; unemployment ensued and a state of economic lethargy pervaded the world atmosphere.

Nowhere is this dislocation more apparent than in the field of agriculture which has been prostrate in this nation for more than a decade. Before the war, American farmers produced only as much as could be sold in this country and abroad. Aside from periodic slumps, conditions were relatively stable. Then came the war. The demand for farm products increased manifold. Prices shot upward. The farmers expanded their acreage and enlarged their production. All was well with them so long as foreign nations had such heavy requirements. But when the war ended, the importing countries began producing their own foodstuffs. Many of them which had previously raised only enough for home consumption now produced a surplus which they sought to export. Prices fell and the farmers were in a state of depression.

The material havoc wrought by the war—the destruction of cities and loss of lives—however great it was, was not an irreparable damage. With the passing of years, this damage has been wiped out. But the more fundamental upheavals remain with us today. Fourteen years of effort have not succeeded in restoring the balance which is necessary to the smooth functioning of the world's economic system. Nor have those years seen the rise of the political stability which is necessary to the peace of the world. Perhaps the most pretentious attempt finally to liquidate the war will be the London trade parley where, it is hoped, the statesmen of the world will show wisdom and foresight in unraveling the world from the maze of economic confusion into which it was thrust by the war.



HIS CROSS OF GOLD

—Talburt in Washington News

Notes on a Number of Things

*"The time has come, the walrus said, to speak of other things;
Of ships and shoes and sealing wax, and cabbages and kings."*

The new House office building, containing offices for members of the House of Representatives, has been completed and is ready for use. The old building, located a block south and east of the Capitol building, is overcrowded, and 251 of the 435 members of the House are to move over. The new building is west of the old. It is seven stories in height, is built of white marble with pink granite base, and cost over seven million dollars. It is beautiful in design and rich in furnishings. The private offices are equipped with blue leather couches, indicative of the thought which is taken for the comfort of the congressmen. A call box system tells the members when they are needed on the floor of the House. There is an underground passageway to the old building and to the Capitol. The Senate office building, located northeast of the Capitol and near the Senate wing of that structure is also connected with the Capitol by an underground passage, and, unlike the House offices, it is equipped with an electric street car for the transportation of senators.

* * *

How is President Roosevelt standing the strain of the fast pace he is setting? That is a question which many people are asking. I have heard it said that the president is showing the effects of the burdens he is bearing. A man who has seen the president fairly often remarked the other day that the presidential smile is fading and that the chief executive appears tired and worn. It does not seem to me that this is true. It happens that whenever I have seen the president, the last time being a few days ago, he has seemed strong and buoyant. He has laughed heartily, has seemed able to shake off his cares. He has seemed spontaneous in talking and joking with those about him. It seems that he has, to a greater extent than most people, the faculty of putting things out of his mind when he wants to. He appears really to enjoy conversation and discussion. He has a sense of humor which undoubtedly helps him through these very trying times.

* * *

Very different from the president in personality is Secretary of State Cordell Hull. The secretary is dignified, scholarly in appearance, thoughtful, one could almost say sad-eyed. A bit of frivolity which the president would wholeheartedly enjoy, the secretary would tolerate. He is serious minded, studious. He calls upon humor to relieve the strain of his

duties far less than the president does. He does not speak so appealingly as does his chief. What he has to say is well considered and it reads well, but his delivery is not impressive. It should not be supposed that he is aloof or austere. There is a note of sympathy and friendliness in his face. This accounts in part for the fact that he has few enemies and many friends. He is respected even by his political enemies. Shortly after his appointment several Washington newspaper men were discussing his qualifications for the office. "What has he to commend him for the place?" one of them asked. "Unquestioned integrity of character," said another. There was general assent. And integrity, honesty, uprightness, these are qualities which diplomacy needs at a time like this when there is so much distrust in the air.

* * *

Scene in the United States Senate, April 28: The subject of discussion is an amendment to the agricultural relief bill, an amendment calling for the payment of a bonus to war veterans. The debate is limited to fifteen minutes for a speech. Senator Robinson of Arkansas, opposing the bonus, is speaking. Senator Long of Louisiana, the celebrated "Kingfish," is watching for a chance to heckle and annoy the Arkansas senator, whom he cordially dislikes:

Mr. ROBINSON of Arkansas: Mr. President, how much time have I remaining?

The PRESIDING OFFICER: The Senator has 3 minutes more on the amendment.

Mr. LONG: Mr. President, I ask unanimous consent that the Senator from Arkansas be given more time.

Mr. ROBINSON of Arkansas: No, Mr. President, I do not request an extension of time, because the limitation was imposed at my suggestion, and I do not think it would be fair for me to ask or accept an extension unless I am willing to grant it to everyone else, which would have the effect of destroying the very agreement which I labored so hard to secure.

Mr. LONG: I was not undertaking to accommodate the Senator. I believe he is laboring to use 15 minutes to justify his position.

Mr. ROBINSON of Arkansas: Mr. President, the Senator from Louisiana has volunteered a statement. The Senator has a habit of getting smart here on the floor, and he has a habit of quoting the Scripture. I think I will give him a little Scripture: "How long wilt thou speak these things, and how long shall the words of thy mouth be like a strong wind?"

There is laughter on the floor of the Senate, laughter in the gallery. The presiding officer does not curb it. Senator

Long arises, red-faced, to reply. The presiding officer recognizes another senator instead of the Kingfish.

* * *

The spirit of the Puritan, adjusted to conditions of the modern time, is a dominating feature in the personality of Joy Elmer Morgan, editor of the *Journal of the American Education Association*. This influential educator is a product of the frontier. He was born on a Nebraska farm and knows the hardships and the grinding labor incident to farm life in the West. He puts a high value upon hard work, upon integrity and sobriety. He respects the old-fashioned virtues and looks for them to assert themselves in increasing measure. Despite the present uncertainties, he thinks we are approaching a golden age when the opportunities of life will be more generally distributed and when a larger share of the people will enjoy the fruits of education.

* * *

The vice presidency does not affect Mr. Garner as it did his predecessor. Mr. Curtis, long a familiar figure in Washington political circles, was known universally as a "good fellow" before he ascended to the second highest office in the land. He was genial and unassuming. He was "Charlie Curtis" to his friends and he was not averse to a cordial slap on the back. But when he became vice president he was "Charlie" no more. Neither did he practice or welcome backslapping. He was the soul of dignity. The present vice president is still "Jack Garner" to a host of intimate friends. He is at all times casual; never self-conscious. When, a few evenings ago, sitting in the public dining room of the Washington Hotel, he accidentally brushed a glass of water into his wife's lap, he was unembarrassed. Both accepted the accident good naturedly. If the vice presidency has not dehumanized him, however, it does seem to have rendered him less vocal. *The Walrus*

Hitler's hold on Germany has been strengthened by the action of Franz Seldte, leader of the Steel Helmets, famous organization composed of about 1,000,000 war veterans. Herr Seldte has declared that he will become a member of the Fascist party, and the Steel Helmets have been turned over to the party. The Steel Helmets had favored a restoration of the monarchy but now that they have been placed under the control of Hitler, it is unlikely that a kaiser will return to Germany.



STEEL HELMET DEMONSTRATION IN BERLIN

This strong organization of war veterans, who favored a return of monarchy to Germany, have now come under the influence of Hitler.

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THE NEW HOUSE OFFICE BUILDING IN WASHINGTON

© Harris & Ewing

THOUGHTS AND SMILES

The manner of your speaking is fully as important as the matter, as more people have ears to be tickled than understanding to judge.
—Lord Chesterfield

All kinds of social knowledge and graces are useful, but one of the best is to be able to yawn with your mouth closed.
—Philadelphia FARM JOURNAL

We have just heard of a stockbroker who wants to swap his seat on the Stock Exchange for one at the Cup Final.—London PUNCH

There are more than a hundred million people in the country and Mr. Farley is convinced that they all want to be postmasters.
—New York HERALD TRIBUNE

A parasite is somebody who goes through a revolving door on somebody else's push.
—Eddie Cantor

Laws should be like death, which spares no one.
—Montesquieu

Although in the last twenty years our knowledge of the sidereal world has more than doubled, the list of things we want to know has trebled or quadrupled, leaving us relatively more ignorant than before.
—Dr. Harlow Shapley

According to the newest of the magazines in our dentist's outer office, business was never better and 1928 may prove an even bigger year.
—Tyler COURIER-TIMES

Every time you try to tune in to a comedy sketch on the radio you discover you're listening to a Cabinet member.
—New York HERALD TRIBUNE

Because we can, by rotary press, distribute the thoughts of men each day to millions, does not necessarily mean that the thoughts are more valuable than those of past ages laboriously inscribed upon papyrus or parchment. Mechanical invention can give us a so-called movie and talkie, but it has not yet contributed a thinkie.
—Congressman James M. Beck

There is a general desire among the political brethren that the president's reforestation idea should include plenty of plum trees.
—Boston EVENING TRANSCRIPT

Somebody with no reverence for the past declares that man was as intelligent ten thousand years ago as he is now.
—New York HERALD TRIBUNE

We don't mind radio executives insisting that their programs be constructed for twelve-year-old minds. What we object to is having the programs carried out by eight-year-old minds.
—LIFE

"What could be worse than a surplus of wheat?" asked the high school economics teacher. And a student ventured, "A surplus of spinach."
—AMERICAN BOY

The secret of polite conversation, from what we have observed, is never to open your mouth unless you have nothing to say.
—Syracuse ORANGE PEEL



PRIME MINISTER MAC DONALD, SECRETARY OF STATE HULL, PRIME MINISTER BENNETT AND FORMER PREMIER HERRIOT
Taken together in Washington as Great Britain, France and Canada sent their representatives to discuss the program for the World Economic Conference with President Roosevelt

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Plans Progress for World Trade Parley

(Concluded from page 1)

pressed as to whether the World Economic Conference would take place at all. It was freely said that it would be of no avail to hold the meeting since the nations were in no mood to make concessions across the conference table. But now it is certain that the conference will be held and that with it the disarmament conference may achieve the end toward which it has futilely been struggling month after month. Such is the spirit which has come to prevail as the result of the conversations between President Roosevelt and the two visiting statesmen.

The Conversations

What happened in Washington to cause such a decided change in attitude? No definite and binding agreements were concluded for such was not the purpose of the conferences. It was made emphatically clear on more than one occasion that there had been no attempt to arrive at specific agreements and that no pacts or treaties would be concluded until the London Conference should get under way. Thus, the statesmen cannot point to any definite, concrete achievements. And moreover, the conversations were shrouded in an air of great secrecy. The public was informed through implication, suggestion and vaguely, cautiously worded official statements.

Despite such safeguarding measures, however, it is known that the statesmen made an effort, apparently successful, to reach a common understanding on major economic problems. After prolonged discussion the impression was gained that President Roosevelt, Prime Minister MacDonald and former Premier Herriot viewed outstanding problems pretty much in the same light. They were of the opinion that the London conference would convene with reasonably sound hope of success. If the United States, Great Britain and France can come to the meeting in substantial accord, it follows that there are much greater chances that negotiations will be carried on with success.

The problems which came under discussion in Washington were, mainly, currencies, tariffs and other trade restrictions, disarmament, war debts and European security. These are the most important sore points which keep the world in an ailing condition. Not all will come directly into the program of the London Conference but they are all related and it is difficult to consider one without taking into account the other.

Currency and monetary issues were the most delicate matters brought into review

in the conversations. A difficult situation was created by the fact that, while Prime Minister MacDonald and former Premier Herriot were on the high seas preparing in a few days to land in the United States, President Roosevelt suddenly caused this country to be taken off the gold standard and a plan of controlled inflation was announced. At once, foreign nations became suspicious and intimated that the president's decision, coming at such a strategic moment, was nothing more than a trick to give him greater bargaining powers in the conferences. He could threaten to cheapen the dollar (to make it worth less, thus enabling American exporters to sell goods abroad at lower prices than foreigners) unless other nations made certain concessions which the United States desired.

It is natural that this action should have made the visiting statesmen uneasy. The United States, however, did not delay in dispelling their fears. It was made clear that the step had been taken purely because domestic conditions required it and that this country had no thought of assuming an antagonistic attitude toward others. It was agreed that the currency of each country should be stabilized as soon as possible in order that no added barrier might be offered to trade. This problem will loom large at the world conference next month.

Tariffs

The same may be said of tariffs and other trade restrictions such as import quotas and embargoes. In the long run they are more important than currency difficulties which are considered temporary. It was recognized in Washington that tariffs must be lowered, that nations must consent to buy as well as sell, if world trade is to be restored to former levels. To this end President Roosevelt was preparing to submit to Congress a request that he be given authority to reduce tariffs by as much as 50 per cent. With this advance power he will be in a position to conclude binding agreements in London and will not have to wait for the later sanction of Congress.

An important outcome of the Washington conversations with regard to tariffs was the declaration on the part of the United States that it would offer a tariff truce for the duration of the World Economic Conference. Formal announcement to this effect was made in London by Norman Davis, President Roosevelt's ambassador-at-large. Addressing the organizing committee of the conference Mr. Davis said that at the opening of the conference on June 12 the United States will propose a truce under which the nations will be asked not to raise their tariff rates nor to impose other forms of restriction so long

as the conference lasts. This proposal is calculated to produce a greater spirit of good will and to prevent the arising of disturbing factors while the meeting is in progress.

Disarmament

The question of disarmament was brought into the discussions among the statesmen in Washington to a greater extent than had earlier been expected. It was thought that this problem would be generally set aside pending negotiations on economic issues. Ramsay MacDonald, however, had a different point of view and he appears to have convinced President Roosevelt that success at London is largely dependent upon success at Geneva. The disarmament conference must be placed on the road to success or little may be hoped from the London meeting. Accordingly, Norman Davis, acting again as the president's mouthpiece, announced at Geneva that this country urged the adoption without amendments of Prime Minister MacDonald's plan for arms limitation. It will be recalled that this proposal, presented a few days before Mr. MacDonald departed upon his now historic visit to Rome, placed strict limitations on the armies of Europe while at the same time making provision for German equality.

Former Premier Herriot, of course, figured largely in the discussions with regard to disarmament since France is the principal country concerned with European armaments. There is evidence that some progress has been made toward winning the French over to the cause of a greater reduction in armaments through assurances given in Washington that the United States will agree to enter into a general consultative pact. Such a treaty would place upon us the obligation of conferring with other nations in the event of a threat that the Kellogg Pact might be violated. We would not be bound to specific action but would only be required to take an interest in any threatened outbreak of hostilities. In back of this is the proposed arms embargo now pending in Congress. The president, with power to prevent the shipment of arms to nations violating the Kellogg Pact, would be in a position to join with other nations in helping to keep peace in all parts of the world. These assurances, it is thought, may induce the French to make concessions on the question of armaments.

War Debts

Finally, among the subjects discussed in Washington, we have the troublesome question of war debts. This issue was once regarded as the most important between nations but has been thrust into the background by subsequent developments. It had been expected that President Roose-

velt would agree to a moratorium for the debt installments due in June. It is now improbable that he will take such action. Instead he will expect the nations to make their June payments and he will also expect the nations which defaulted last December to bring their accounts up to date. President Roosevelt, however, has acted to make it easier for the nations to pay. As part of his inflation bill there was inserted a clause authorizing the acceptance of debt installments in silver rather than in gold, the customary method of payment. The United States will be willing to take this silver at 50 cents an ounce. It sells regularly at 36 cents. Thus, the nations paying on their debts will save about 30 per cent. It will also be easier for them to obtain silver than gold.

The reaction of France and Great Britain to this proposal is not fully clear at this writing. The governments are awaiting the return of their envoys before arriving at any decision. It is likely, however, that while Britain may agree to the method suggested, France will demur. French public opinion is very touchy on the debt question just as is American public opinion. The French are opposed to payment in principle since German reparations, on which war debt payments depended, were cancelled last summer at Lausanne. But it is possible that the French may be led to take a different attitude through the assurance that President Roosevelt recognizes the necessity of scaling down the debts. He has been preparing to deliver a message to Congress asking it for such power.

Canada

The conversations between the American president and the Canadian prime minister, Richard B. Bennett, have not been brought into the earlier part of this article because relations between the United States and Canada are distinct from European difficulties. Mr. Bennett was in Washington at the same time as the two European statesmen and held a number of important conferences with Mr. Roosevelt.

It seems, as a result, that trade relations between the United States and Canada, our second best customer, are in the way of being improved as soon as the president obtains the authority to reduce tariffs from Congress. A reciprocal trade agreement between Canada and the United States was extensively discussed in Washington. Many details remain to be worked out but the groundwork has been laid and it is possible that soon the United States and Canada will improve their trade with each other through a mutual reduction of tariff rates on important products.